

Developing Entertainment

The Cordish Company has one of the most active development programs underway in the U.S. The company is active in downtowns, suburban areas, ballparks, racetracks and even Indian nations.

Randall Shearin

The Cordish Company has been one of the most active retail development companies in the United States during the last 5 years. The company is an extremely innovative developer — from its use of old and existing buildings to the creation and operation of its own tenants. The company is not afraid of a challenge, and it continually tackles difficult projects that other developers won't touch.

Shopping Center Business recently visited The Cordish Company's headquarters in Baltimore and talked with Blake Cordish, vice president of development, to find out about the company's latest projects.



The Cordish Company is developing Ballpark Village adjacent to the new stadium for the St. Louis Cardinals in downtown St. Louis.



The company will open a 150,000-square-foot expansion of its Bayou Place mixed-use venue in downtown Houston this spring.

BROAD SPECTRUM

The Cordish Company has a number of interrelated businesses and holdings. The company's primary business is real estate development, but it also has a film distribution company, restaurant/club operations, live music promotions, gaming/hospitality, a law firm and a private equity fund, among others. With regard to retail, The Cordish Company's entertainment/retail division and shopping center division are the groups that do the most development and are the divisions on which the company was founded. The Cordish Company is a privately-held, family owned business now in its fourth generation of Cordish family ownership.

Cordish's entertainment/retail division looks for sites and venues in areas that need help and infuses them with

a mix of entertainment, restaurants and retail. While the company has been involved with mixed-use projects for several decades, perhaps the project that brought the company the most national notice in the entertainment field was The Power Plant in downtown Baltimore, where its headquarters are located. Conceived and built in the late 1990s, The Power Plant brought an incredible energy back to Baltimore's Inner Harbor. Located adjacent to the National Aquarium, the area's largest tourist attraction, The Power Plant attracts over 12 million visitors per year. Anchors Barnes & Noble, ESPN Zone, and Hard Rock Café are strong draws in their own right. Prior to Cordish's involvement in the project, the real estate — a vacant power plant — had been empty and unused for more than 10 years. In 2002, the company opened a



Cordish has plans to expand its successful Fourth Street Live! venue in downtown Louisville, Kentucky.

nearby second phase called Power Plant Live!, which is anchored by 15 different restaurants, bars and entertainment venues and then expanded the district a third time in 2004 with the addition of the Pier IV Building adjacent to the Power Plant. Moreover, Cordish is reportedly about to announce a major fourth expansion in the Inner Harbor.

Cordish often redevelops in areas that are relatively uncharted waters for retailers, and in the process creates new retail and entertainment markets. In such cases, Cordish will not only merchandize a mixture of national and local tenants but also create unique retailers by launching new concepts to fit its leasing bill. To accomplish this, the company utilizes its own operating division, called Power Plant Concepts, which operates bars, restaurants and music venues in markets around the country. For instance, in downtown Louisville, Kentucky, where Cordish successfully operates Fourth Street Live!, a two-block urban entertainment and retail district, the company wanted a unique restaurant/lounge concept with a connection to a strong local brand. Instead of finding a local tenant with little to no credit, the company struck a deal with Maker's Mark bourbon to create Maker's Mark Bourbon House Lounge, the first of which opened in Louisville. The Cordish Company is now rolling out this venue in other projects around the country.

"Power Plant Concepts has been a win for us on many levels," says Blake Cordish. "From the development side, it helps us to create unique anchors. It also allows us to ensure that the quality level that we want is there and the attention to detail is there. We set the bar for other tenants at the center, in some ways."

Power Plant Concepts is the fastest growing division of The Cordish Company. It currently operates in excess of 75 restaurants, bars and nightclubs in the United States. The majority of the venues are located in Cordish properties, but some are located in outside projects.

The Cordish Company has also created a healthy relationship with tenants like Barnes & Noble, Hard Rock Café, ESPN Zone, Dave & Buster's, Gap, Tommy Hilfiger and Polo/Ralph Lauren and most of these tenants have followed the company as it opens new projects in growing markets. And over the next few years, Cordish will be opening many new projects.

NEW PROJECTS

Shopping Center Business arrived at Cordish's headquarters on the day that the company announced its latest development, Woodbine Live!, which will be located adjacent to the Woodbine Racetrack and Casino in suburban Toronto. Spanning over 200 acres, the \$550 million project will feature over 1 million square feet of entertainment and retail uses, a 5,000-person capacity concert venue, as well as a major hotel complex, in a new urban design on the northwest side of the race-

track and casino are two of Toronto's top attractions, drawing 6 million people per year. It is Cordish's intention that its retail and entertainment center will double that number. Woodbine Live! will be the one of the first major American-style town center projects in Canada and will be Cordish's first project in the country.

In Richmond, Virginia, in partnership with the Daniel Corporation, the company is developing Riverside on the James, a mixed-use project that utilizes an old power plant building. When complete, the development will contain 240,000 square feet of office space, 122 condominium units, an 800-car parking deck, and 76,000 square feet of retail and entertainment space. The project is currently finalizing construction, with office and residential space recently completed. Retail is anticipated to open spring 2006. Three major restaurants and a new Cordish-operated concept called The Market will anchor the retail portion of the project. The Market is a 20,000-square-foot free-flowing market style concept featuring multiple specialized food and beverage stations as well as a live music stage.

At the company's Bayou Place project in Houston, a new expansion is underway. Cordish opened the first phase of the project in 1998, and 150,000 square feet of additional retail and office will be open in spring 2006. Bayou



Power Plant Live!, in downtown Baltimore is anchored by 15 different restaurants, bars and entertainment venues. The project was expanded for a third time in 2004 with the addition of the Pier IV Building adjacent to the Power Plant.



The Power Plant in downtown Baltimore was one of the company's first landmark entertainment projects.

Place is anchored by the first Angelika cinema outside New York City, Hard Rock Café, a 3,000-person capacity live music venue called the Verizon Theater, and many bars, restaurants and nightclubs.

"It has been terrific to see what has happened with downtown Houston over the past 6 or 7 years," says Blake Cordish. "When Bayou Place first opened, we were the pioneers. The city has since done a tremendous job of bringing downtown other complimentary attractions. It's a battleship pointed in the right direction now."

In Hollywood and Tampa, Florida, the company recently simultaneously completed two new \$550 million Seminole Hard Rock Hotels and Casinos. The Seminole Hard Rock in Hollywood also contains about 450,000 square feet of retail and entertainment as well as a 5,000 capacity Hard Rock Live! music venue attached to the hotel and casino, called Paradise Live!. Paradise Live! opened earlier this year and has been drawing huge crowds. The gaming and hospitality division is a major growth vehicle for the company with two major new gaming developments on the books.

In 2004, the company opened the first phase of The Walk in Atlantic City, New Jersey, which covers six city blocks that link together the convention center and the existing anchor casinos. Atlantic City has more gaming revenue than Las Vegas, and it also has more

visits. It has had virtually no retail stores and limited restaurant offerings. The project has been so successful that Cordish is now adding a second phase to the project. The first phase of the project is 350,000 square feet, and Cordish is developing an additional 400,000 square feet that is expected to open

by 2007. Phase II will frame the gateway to the city.

The company also plans to expand the aforementioned Fourth Street Live! project in Louisville. At Fourth Street Live!, Cordish ripped the roof off a former downtown mall to create a project that has brought new life to downtown. Mostly formatted around entertainment, the project drew 4.2 million people in its first year of operation (2004). Visitors to the project have an average drive time of 40 minutes, meaning that the project draws people from Indiana and Ohio, as well as the Louisville area.

One of the most ambitious projects that the company has underway is the Power & Light District in Kansas City, Missouri. This project has been on the drawing boards of several developers since its inception in the mid-1990s, but with Cordish at the helm, things are taking shape and construction is underway.

The Power & Light District, which is one of the largest developments in the Midwest, is valued at \$850 million. The District is being master planned as a true mixed-use downtown neighborhood featuring 550,000 square feet of retail/entertainment, 1,200 residential units, 1.2 million square feet of office and a 220-room ho-

tel. In addition, The Power & Light District will also house the new Sprint Center, a \$250 million, 22,000-seat arena as well as the new worldwide headquarters for H&R Block that comprise approximately 1 million square feet.

The company has announced six major anchors for the district. Among them, AMC Theatres, whose headquarters are located in downtown Kansas City. AMC Theatres, along with Cordish's operating division, will restore and operate the historic Empire Theatre as a flagship movie and entertainment experience. Cordish and AMC are also renovating the nearby Midland Theatre into a 3,000-seat live performance venue. National, regional and local acts will perform at the venue, which will also include a restaurant/bar component. The Midland venue will also contain 50 residential loft units.

"AMC's plans for the Empire are truly stunning and unique," says Blake Cordish. "AMC deserves tremendous praise for restoring this historic landmark. Not only will AMC operate a state-of-the-art movie theater in the Power & Light District that will celebrate the latest technology in a gorgeous historic venue. But AMC is also planning an exceptional theater-going experience including amenities as a major restaurant and a wine bar. It will be a very unique theater in terms of its offering to the market."



The Cordish Company has recently completed construction on Riverside on the James, a mixed-use project in Richmond, Virginia.



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The Power & Light District covers a total of nine city blocks and Cordish has divid-

ed the various blocks into different merchandising themes. One block of the project will be centered around community amenities and will be anchored by a 35,000-square-foot Cosentino's Downtown Market. The gourmet market is modeled after the Cosentino family's very successful Brookside Market in the suburbs of Kansas City. Another area of the district will be exclusively merchandized as boutique retail. Another block, termed restaurant row, will be home to five high-end signature restaurants. And yet another, called Kansas City Live!, will feature 14 different high-energy restaurants, clubs, music venues and bars. Four residential towers, containing 1,200 units, will also be located on various blocks throughout the Power & Light District. A 220-room Hilton will be created from the former President Hotel plus the Sprint Center and H&R Block world-wide headquarters are being included as mentioned above. The project is scheduled to start opening in fall 2006, with full completion by fall 2007.

"Clearly, our urban developments such as Kansas City have benefited from the macro movement back toward downtowns," says Blake Cordish. "There's a growing recognition among people throughout the United States of the lifestyle advantages of downtown living and that is helping many of our

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**Cordish is developing
The Power & Light District in
downtown Kansas City.**

developments. That being said, the ultimate solution is unique for every city and it is paramount from the retail perspective that the districts be regional destinations. There are no cookie-cutter solutions to entertainment districts or mixed-use developments. Every time we start with a development, we start with a clean piece of paper."

In St. Louis, the company has been selected by the Cardinals' ball club, owned by the DeWitt family, to develop Ballpark Village. This \$600 million mixed-use entertainment, retail, office and residential development will be adjacent to the Cardinals' new stadium in downtown St. Louis. The project will cover 12 acres and will contain 360,000 square feet of retail/entertainment, 1,200 residential units and 400,000 square feet of office. Upon the opening of the new stadium and the demolition of the old stadium, Cordish will begin construction of Ballpark Village in summer of 2006.

"The foresight of the DeWitt family to utilize the ballpark as an anchor to revitalize downtown St. Louis should be commended," says Blake Cordish. "Ballpark Village is an amazing opportunity. For the first time, a major mixed-use district is being master planned and developed in conjunction with a professional sports stadium. An anchor project is of critical importance to the city, and the timing is right. Clearly, as

evidenced by the retail/entertainment successes around stadiums in markets like Baltimore or Denver, the synergy with the new Busch stadium gives the project long term viability. Moreover, the location has the advantage also being situated in the fabric of the downtown, so Ballpark Village will also draw from office workers, hotel visitors, conventioners as well as metropolitan residents."

ENSURING SUCCESS

All of Cordish's entertainment projects are programmed and heavily marketed by the company. At Fourth Street Live!, for example, the company books more than 150 free events per year at the center. It must market each of those performances so that it can ensure a turnout. Doing so has made Cordish a marketing-intensive organization. It has also made the company one of the largest booking agents of live acts in the United States.

The majority of projects that The Cordish Company develops are in public-private partnership with the city, county, state or even Indian nation where the project is located. Often the company is contacted by the economic development authority or the mayor of the area. The company is highly selective and, as a result, passes on approximately 90 percent of the opportunities it is approached with.

"A lot of times, we just don't see the fundamentals that are needed for an urban entertainment project to be successful over the long term," says Blake Cordish. "We are not a seller of real estate and we only invest our own equity so the long term for us means future generations.

We always start with questions of basic market fundamentals: is there a demographic base? Are there office workers nearby? Are there visitors? Are there residents nearby? Can we create a regional destination? As we all know, it always comes back to the quality of the real estate."

Cordish also looks at the commitment of the area's leadership. Public-private projects are complicated and challenging, and the company must have leadership that has the vision and support for the project. Often the company finds, while the community may have good intentions, the government support does not exist to receive entitlements and zoning issues for the project.

"We also look very hard at the sophistication and vision of public leadership and their commitment to add complimentary attractions and development over the long term," says Blake Cordish. "Public-private developments are intensely complicated and incredible brain damage, without a foundation of basic market fundamentals and strong political leadership, we will not get involved." **SCB**



Woodbine Live! will be located adjacent to the Woodbine Racetrack and Casino in suburban Toronto. Spanning over 200 acres, the \$550 million project will feature over 1 million square feet of entertainment and retail uses, a 5,000-person capacity concert venue, as well as a major hotel complex, in a new urban design on the northwest side of the racetrack.